

21 February 2011

ASX Limited
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Tapao Kaew #1 Drilling Update: Onshore Thailand

Sun Resources NL (“Sun” or “the Company”) (ASX:SUR) is pleased to announce an update on the drilling activity at the first well, Tapao Kaew #1, managed by Carnarvon Petroleum Limited (“Carnarvon”), the Operator of L20/50 onshore Thailand.

Progress

The Operator reports that Tapao Kaew #1 well was drilled to a final total depth of 1,792m, in 8 ½” hole as planned. A detailed suite of wireline logs were subsequently run to evaluate a number of intervals of interest and detailed petrophysical analysis of those logs aided in the decision to complete for production testing or plug and abandon the well. The Operator has recommended that the well be plugged and abandoned.

Forward Plan

Tapao Kaew will be plugged and abandoned then the rig will be released from this location and moved to the next well, Krai Thong #1. Krai Thong #1 will evaluate a different style of prospect, interpreted to be four way dip closed, alluvial fan delta.

Results

The Tapao Kaew #1 well evaluated all objectives as planned. Several sands were intersected in the shallower sections however analysis of wireline logs, cutting samples, gas readings and other data indicates the sands are not hydrocarbon bearing. The well was drilled deeper than planned to investigate potential hydrocarbon bearing, thin laminated sands in the lower section of the well, however failed wireline tools led to an inconclusive result from this section. Notwithstanding inconclusive results from log analysis, the joint venture consensus is that this well failed to encounter hydrocarbon bearing reservoirs. Data from the well will be fully evaluated and incorporated into Carnarvon’s geological and geophysical understanding of the Phitsanulok Basin along with results from the upcoming well(s). Further updates will be issued as the rig move progresses.

Krai Thong

The Krai Thong Prospect is located onshore central Thailand in the Phitsanulok basin, approximately 350 km north west of Bangkok and 50km south of the prolific Sirikit Oil Field (producing ~20,000 bopd with >200 mmboc estimated ultimate recovery). The second well to be drilled in this multi-well program will test the Krai Thong Prospect (fig. 1), a faulted anticlinal structure with multiple stacked targets. The Joint Venture estimates the Krai Thong Prospect to have a gross speculative potential resource of approximately 37 million barrels. The Krai Thong #1 well will target two separate mapped horizons between approximately 700 - 1,450 metres.

Peak Farm-Out

Peak Oil and Gas Limited (“**Peak**”) has now completed its free-carry of Sun through Sun’s share of the first well in this multi-well programme. Following completion of the farm-out to Peak, Sun will maintain a very significant 42.5% interest in L20/50, providing maximum leverage to its shareholders in this multi-well drilling programme.

For more information and regular updates, please visit the website: www.sunres.com.au

Yours faithfully

SUN RESOURCES NL



Matthew Battrick

MANAGING DIRECTOR

Information contained in this report was sourced from the Operator of the Joint Venture in which the Company has an interest and was compiled by the Managing Director of Sun Resources, Matthew Battrick, BSc (Geol), MPESA, MPESGB, MAAPG, GAICD who has 30 years experience in the practice of geology and more than 25 years experience in petroleum geology.



AD-1 Drilling Rig

About the L20/50 Multi-well Drilling Programme

Tapao Kaew Prospect

The Tapao Kaew Prospect (figure 1) is a 4-way anticlinal structure with stacked targets on the western edge of the basin, immediately adjacent to the interpreted hydrocarbon kitchen.

Krai Thong Prospect

The second well will be drilled into the Krai Thong Prospect (fig. 1), a faulted anticlinal structure with multiple stacked targets. The Joint Venture estimates the Krai Thong Prospect to have a gross speculative potential resource of approximately 37 million barrels. The Krai Thong #1 well will target two separate mapped horizons between approximately 700 - 1,450 metres.

Chalawan Prospect

If sufficient encouragement is demonstrated by the second well, the Joint Venture may drill a third well as part of this initial drill program. This well would be at the Chalawan Prospect (fig. 1). This structure comprises a series of tilted fault closures on the eastern edge of the basin. The Joint Venture estimates the Chalawan Prospect to have a gross speculative potential resource of approximately 32 million barrels. If this prospect is drilled, it is planned to be a shallow well to a total depth of 950 metres.

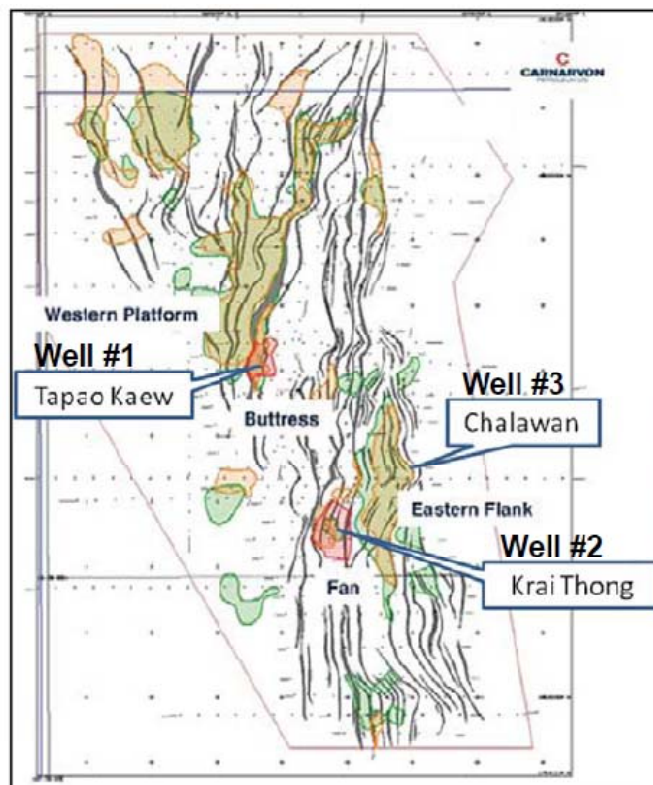


Figure 1, Prospect location map, L20/50 Permit

About the L20/50 Permit

The L20/50 permit lies on the onshore Phitsanulok Basin, located between Thailand's two largest producing onshore field complexes, being the next basin along from Carnarvon Petroleum Limited's Phetchabun Basin Oil Fields (producing up to 15,000 bopd with >60 mmboc estimated ultimate recovery) and 20 kilometres south, in the same basin as the prolific Sirikit Oil Field (producing ~20,000 bopd with >200 mmboc estimated ultimate recovery).

The L20/50 Joint Venture exploration program is targeting a resource of similar size to that of Carnarvon and Pan Orient who are producing up to 15,000 bopd (with >60 mmboc estimated gross ultimate recovery) from a number of new oil pools in the "volcanic play" in the adjacent Phetchabun Basin, 50 kilometres to the east. The primary reservoir target in the wells testing the firm prospects is the traditional sandstone reservoirs that produces most of the oil from the prolific Sirikit Oil Field and is present in multiple levels in the Nong Bua-1 well within L20/50.

